The House adjourned for lunch at 1 P. M. and re-assembled at 1-45 P. M.

## OATH OF OFFICE.

Mr. S. Thiraviam Nadar was sworn in.

## THE TRAVANCORE (MATCHES AND OTHER ARTICLES) EXCISE DUTY BILL. - (contd.)

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*) : Sir, we are at this stage considering the principle underlying this Bill. The Bill, as it is now presented to the House, relates to matches and a group of other nebulous articles about which the House knows nothing. Clause 20 and a number of other sections make provision (*louder, please*) for imposing and realising an excise duty in regard to any article on which the Government may subsequently think to impose the same. To put it shortly, this amounts to handing a blank cheque to the Government, that is, to the executive, for the purpose of legislating for the State. Such a *carte blanche*, however much we may trust the executive section of the Government, (*louder please*) I am not prepared to confide to the Government. No doubt, there is a tendency, even in England at present, to frame what is known as "skeleton legislation" and to leave it to the executive to fill it in. But this Bill, goes even beyond such steps and as such I certainly oppose that portion of the Bill which seeks to hug in unspecified and non-descript things. The co-operation which the Paramount Power expects from this Government certainly does not cover this branch of the Bill for the learned Law Member himself admitted that the British Indian Act upon this subject does not contain any parallel provision. That is another argument why this portion of the Bill should not have been presented to this House.

Another portion of the Bill, which, I fear, I have to object to, is the provision in Clause 3, where this Bill when passed into law, is made to recoil retrospectively, to the first of April 1934. It is rather an unworkable proposition for the excise duty that is now sought to be imposed is in respect of the manufacture and issue of matches under this measure. Both these things must have taken place already before the law saw the light. We are today on the 21st of May 1934. Nearly seven weeks have gone by since the date the Law Member keeps in view as the date for the operation of this Bill. That is another aspect.

Yet another aspect, though it may be covered by the British Indian Act upon the subject, is presented by other Sections, that is to say, in case of default in the payment of excise duty that is contemplated under this measure, the Excise authorities themselves may realise four times the amount of the duty that is normally payable. In addition to that if a conviction takes place before a Magistrate, it is further provided that, the Magistrate is at liberty to impose four times the amount of the duty as a fine. In the result, eight times the duty may be realised from any defaulter under this Regulation. Whatever be the merits of the provision as regards penalty, as regards what we realised under

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[Mr. P. K. Narayana Pillai.]

revenue processes, I fear the provision is rather exorbitant. Normally speaking, as in the case of land revenue, if default takes place, what the defaulter is asked to pay is the defaulted amount with an interest upon the same. That is what actually takes place in dealings between people in this State as elsewhere. Therefore, I can find warrant only to realise the defaulted amount with 12 per cent. interest irrespective of any penalty that may be realised by the Magistrate. Anything more than that sounds somewhat barbarous in my ears. These are some of the points which, I feel, I should object to in this measure.

Learned members of this House also had to say a good deal with reference to the expediency or the necessity of imposing an excise duty even upon matches. As to that, no doubt, the statement of objects and reasons, appended to the Bill by the learned Law Member, is quite concise. But from that we may more or less spell out the underlying idea. The comity and seemliness demanded from us in the nature of the inter-relations subsisting between the Paramount Power and this State would certainly justify an enactment of this description as regards matches. Not only did British India adopt this measure, but a number of other Indian Princes and ruling authorities in India have followed suit. In such circumstances, however much it may affect a growing industry, though our industry in matches on anything like large-scale production being too limited is not likely to be so much affected, we have to adopt the Indian Act. Sir, I understand that there are some ventures in the shape of cottage industries in regard to this match manufacture which may suffer to some extent. However, after taking into consideration all the circumstances of the case and as the Government has already gone forward in the matter when required to co-operate with the British Indian Government on the subject, I am for supporting the Bill to the extent of the levy of the excise duty contemplated on matches; but beyond that, I fear, I cannot go. Also, as I submitted, the provisions require re-consideration in finally adopting the Bill as a legislative enactment. These are all the observations I have to make with regard to this Bill.

MR. S. J. NAIR (*Nedumangad*): Sir, the Law Member, in inroducing this measure, has tried to make us believe that the principle involved is very simple. But, on the other hand, our opinion is that the Bill is not so simple but it is too subtle and at the same time very dangerous to the interests of the State and its people. From the Statement of Objects and Reasons in the Bill, it is found that the main purpose of this Bill is to impose duty on matches made in Travancore. Sir, in this connection, I wish to draw your attention and the attention of this House that the match-manufacturing industry in this State exists in two different shapes, *viz.*, in the shape of cottage industry conducted by individuals and also on a factory system. So far as the factory system is concerned, there is no serious objection in taxing the matches made and exported from the factories; but so far as

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the matches made from cottage industry is concerned, it shall not be taxed at all because it is only in an infant stage and there is much possibility, so far as this State is concerned, to develop the match industry as a cottage industry on a very big scale and to solve the economic problem of the State to a very great extent.

**MR. K. R. ELENKATH** (*Kalkulam I*): May I know whether he can suggest any solution to discriminate between the cottage-made matches and the factory-made matches?

**MR. S. J. NAIR** (*Nedumangad*): Yes, we can. My humble submission is that no provision is made in this Bill so far as the cottage-made matches are concerned. For this a separate provision shall be made that the match industry as a cottage industry shall be left out of taxation.

From the second paragraph of the Statement of Objects and Reasons, I am afraid that the Law Member has attempted to usurp the power of this House to a great extent. If the Law Member unconditionally undertakes to delete some portions from the Bill, *viz.*, the provision with regard to "other articles" in the heading of the Bill and Clause 20 and also Clause 3, namely, the provision that gives retrospective effect to this Bill when passed into Regulation, this Bill shall be permitted to be introduced. There is one thing more. From Clause 7 the portion "the bringing of matches or other articles into Travancore from the territory of any specified Prince or Chief in India" and such other portions shall be deleted. If the Law Member undertakes that he will do the needful in the matter, I am for supporting the Bill.

**MR. T. K. VELU PILLAI** (*Trivandrum—Urban*): Sir, I rise to support the Bill. I associate myself with some of the members who have already spoken, so far as their complaints against some of the provisions of the Bill are concerned. I am certainly against giving retrospective effect to any Statute. I am definitely against vesting any power in Government to take away by the left hand what has been given by the right hand. (*Hear, hear*). I am speaking with reference to this subject. Sir, I have said on previous occasions as well that there is nothing so mischievous as the rule-making power of Government. Even in England, that is very greatly disliked. I may cite one instance. There is the Revenue Recovery Regulation according to which arrears of tax are realised in this State. But the methods to be followed are laid down in the Statute itself. The Bill now allows the Revenue Recovery Regulation to be requisitioned for the purpose of collecting the arrears under this Bill when it becomes law, while the safeguards are not given.

I may also express my emphatic opinion that the words "and other articles" which come after 'matches' are not calculated to encourage any industry or even encourage a healthy life in this State. Because, it may be that a Head of the Department may advise Government to pass rules on a particular subject. And the Travancore Government,

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[Mr. T. K. Velu Pillai.]

Sir, is an over-worked institution, so that, if on the strength of an opinion expressed by the Head of the Department which Government adopts in good faith and if Government were to pass the rules saying that this thing and that thing may be done, life, I deliberately say, will not be worth living. Hence, I oppose this and similar provisions.

But I support the principle of the Bill for what appears to me to be a very sound reason. There is the word co-operation with British Government. To me, Sir, there is no red rag in co-operation with the British Government. We are co-operating in a number of things. In matters of economic policy, in matters of fiscal policy, Travancore is not a sequestered place where nothing from outside will be imported. Things, ideas, principles of politics and economics are allowed to come into Travancore from other countries.

My friend Mr. Kunjukrishna Pillai says they come duty free. That is not before the House and I do not propose to answer that question. I wish, Sir, that if any gentlemen wants to put me a question I am prepared to answer him. He may ask any number of questions, but I do not like to be interrupted in my speech though I wish to answer every one of the questions put here.

**MR. K. R. ELENKATH** (*Kalkulam* I): Sir, I rise to a point of order. May I know whether on the floor of the House there is any question put by Mr. Kunjukrishna Pillai to the Deputy President?

**MR. T. K. VELU PILLAI** (*Trivandrum—Urban*): My exposition will be clear. I said if any member *had* a question to ask, I will answer.

**PRESIDENT**: Including asides? (*Laughter*).

**MR. T. K. VELU PILLAI** (*Trivandrum- Urban*): I shall not certainly take notice of an aside remark. Sir, excuse me when I say, when my ears are functioning, I cannot be deaf to what is taking place here. Nothing more about that.

Let us examine this question. In this Assembly, Sir, it is generally the Law member who moves Bills and pilots them through this House. From a legal stand-point much talent is brought to bear upon this question. But with regard to the imposition of duties on matches and such other things, I would say, ordinarily the Excise Commissioner or the Director of Industries should come forward and say these are facts. Probably they may come forward. Until then, we ought to suspend our judgment in regard to some aspects of the Bill. But there are some incontrovertible truths. Where is the harm in co-operating with British Government in economic matters? I cannot altogether forget the little history that I have learnt during these years. Co-operation means reciprocity. A unilateral act will never be called co-operation. It is a matter of the dictionary meaning of the word. In India, I remember, during the time of Lord Lytton, there were various policies with regard to customs duties. There was so much of smuggling in North and Central India. So much so Lord Lytton's

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policy was to minimise the evils, to safeguard the revenue and to compensate the Indian States if they thought that there were losses on account of such an enlightened policy. Sir, we are on the eve of great constitutional changes.

**MR. KAINIKKARA M. PADMANABHA PILLAI** (*Changanachery I*): May I know from the member whether our State has derived any advantage on the arbitration question of petrol by the Imperial Government?

**MR. T. K. VELU PILLAI** (*Trivandrum—Urban*): Yes, we are having various advantages. I think, even on that petrol question, much benefit has resulted to our country. And I do not propose to invite myself to answer that question further. I would once more ask my friends to wait for the completion of my speech and then put questions. We all talk of common Indian interests and common Imperial interests. I understand Federation to mean a union of division of functions; and at the same time, as I am accustomed to say, in a compromise between the centripetal and centrifugal forces, you cannot have any kind of federation, either in politics or economics, without some kind of co-operation of this State.

**MR. M. SIVATANU PILLAI** (*Tovala*): May I know whether the member has accepted federation?

**MR. T. K. VELU PILLAI** (*Trivandrum—Urban*): I never said that. We are on the eve of federation. That explains my position. I may mention this also, that everybody knows that the Central Government must exercise certain functions and the Local Governments others. That is, from the bundle of rights, certain twigs are taken away to the Central Government for functioning and some to the State Government. In matters of economic policy, Travancore is only a speck in the immensity of the Indian Empire. However much safeguarding there might be, whatever might be the efforts to protect ourselves in finding out means, it is certain that we cannot altogether escape the results of any economic policy which is adopted in British India. So far as these matches are concerned, I am at a loss to understand how a difference of opinion is possible. It is nobody's case, Sir, that Travancore makes all the matches that it requires. It may be an infant industry. In the fulness of time, under proper protective system, it might thrive and prosper. But when you take into consideration the actual condition, I am justified to say, in spite of the omission of the Law Member to give figures, which has been complained of by my friends, in spite of all that, we are not producing enough matches for our consumption.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I know, on what basis the member makes that statement?

**MR. T. K. VELU PILLAI** (*Trivandrum—Urban*): I am a native of this country. I am living in this country like my friends. I wish it to be understood that my opinions are based on my own knowledge of men and matters in this country.

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MR. A. THANU PILLAI (*Trivandrum—Rural*): May I know whether the member has any idea as to the quantity of matches produced in this country?

MR. T. K. VELU PILLAI (*Trivandrum—Urban*): It is none of my business. Any man who formulates opinions in this House must study the facts for himself. I shall not therefore do myself the injustice of doing something which will make my friends indulge in hasty questions. Therefore it is not for me to give this information. But this I might say deliberately that we are not making enough matches, so that if matches have to be imported from British India, they will assume a very difficult position indeed. Because these people will try to raise the price of the matches that we make here. So much has been said about the consumer. I have very great sympathy with the man who smokes the *beedi*. I have very great sympathy, in fact, with all poor people as other friends have. They will not be benefited. For the desire for self is an ordinary feeling in all barters. No man in this country is going to give up the chance of making his profit. The consumer will be hard hit. Anyhow the argument that the consumers will benefit does not commend itself to me. There is difference of opinion. But that is a settled conviction.

MR. K. R. ELENKATH (*Kalkulam I*): May I know the approximate proportion of benefit that will be gained by the consumers?

MR. T. K. VELU PILLAI (*Trivandrum-Urban*): All these questions I have already answered. I shall not be justified in taking the time of the House by giving answers to all hypothetical questions. But I am sure my friend———

MR. A. S. DAMODARAN ASAN (*Mavelikara*): May I know whether the question put by Mr. Elenkath is a hypothetical one?

MR. T. K. VELU PILLAI (*Trivandrum Urban*): I may assure my friend through you, Sir, that I have looked into this question. I am learning this question for some time. I do not think that mine is the last word on the subject. This is my information and I do not give other people's point of view. True, my answer may be deficient. But I am submitting, Sir, that the argument from the consumer's point of view cannot commend itself to the House the consumer anyhow will be left alone. I want to mention one or two instances.

There is the co-operation of departments, like the Telegraphs. There are rules for appointment of foreigners. We want to shape the political policy in India; that is the aspiration of politicians in keeping with the general drift of opinion in British India and any other Native State. So that, to say that nothing shall be imported in this country is not fair. We are getting various appointments. By pooling the resources of British India, when Federation comes it should take its share.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know what were the amounts that were left as a result of pooling the resources of British India?

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**MR. T. K. VELU PILLAI** (*Trivandrum-Urban*) : I am not here to be cross-examined. I am only giving my own opinion on facts presented to my mind.

**PRESIDENT** : The members should not go into minute details of statistics. Such points may very well be elicited from Government members.

**MR. T. K. VELU PILLAI** (*Trivandrum-Urban*) : So that, I should now congratulate the Law member, apart from condemning him in very strong language. I am happy that I am in a position to congratulate him. For I support his judgment with reasons which are mine. He has in a straightforward manner said that the main purpose of the Bill is to impose an excise duty, because it is necessary and expedient. 'Necessary and expedient' may be due to various causes. I support it on the ground of economic policy. However much we like, we shall not be able to extricate ourselves from the results of the economic policy pursued in British India. So that, Sir, if the House is satisfied that protection or no protection, free trade or no free trade, if the consumer is not going to be benefited and I would take into consideration the fact that large manufactories are owned not by the poor but by the rich, I do not see the object in opposing this measure. I am not of that cast of mind. Sir, I concede it to be in the interests of the State. I concede it is impossible to have an independent economic policy in this Indian State. I also take it, Sir, that several States who have joined can rely upon the Finance Member's statement in the Legislative Assembly, a document which may be relied upon. Until the contrary is shown, I am going to take that view. I rely upon facts that very many States have joined. We are not to presume that those are unpatriotic. They cannot adopt an independent policy.

Therefore seeing that the country is not going to be jeopardised by the enactment of the proposed measure, I heartily support the motion.

**RAO SAHIB S. PARAMESVARA AIYAR** (*Nominated*) : Sir, the Law Member, in his Statement of Object and Reasons, has stated that the main purpose of the Bill now before this Chamber is to impose an excise duty on matches made in Travancore. I should say that the provisions contained in Clause 20 of this Bill do not commend themselves to me. The imposition of excise duty is a very important matter, and whenever an excise duty has to be newly imposed in respect of any particular article, it is necessary that both the Chambers should know and their opinion should be consulted before any action is taken by Government in that direction. I think that, so far as the provisions relating to sugar and other articles in Clause 20 are concerned, this House even at this stage must object to those provisions and should not assent to them.

The Bill before the House in that case will merely relate to matches; and so far as matches are concerned, I do not see any serious objection to our assenting to the principles involved in the Bill, especially because co-operation with the British Government is necessary in



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[Rao Sahib S. Parameswara Aiyer]

this matter; and I know that several States in British India have already agreed to the imposition of a similar duty. If, therefore, the Law Member, on behalf of Government, will assure this House that the provisions relating to all articles other than matches will be deleted, I should like the House to raise no objection to the Bill. That is my opinion, Sir.

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*): Sir, in considering this Bill, the House has to make up its mind on two questions, *viz.*, whether it is advantageous or not to follow the example of the Government of India and introduce an excise duty on matches; and if it is advantageous, whether or not the Travancore Government should agree to join the pool as suggested by the Government of India and get a share of the revenue on the population basis. Regarding the first question, Sir, to me it seems that the proper thing to do is that we should follow the example of the Government of India and impose an excise duty on matches. The reasons I have in my mind are various. My learned friend, the Law Member, has pointed out the necessity for the co-operation of Travancore with British India. Sir, those who have read the speeches of the Honourable the Finance Member of the Government of India in the Legislative Assembly would feel convinced that the main object of the Government of India in introducing excise duties on matches and sugar was to raise revenue. The Government of India want to increase their revenue and they have decided upon the imposition of these excise duties. And the Honourable the Finance Member also said in his speech that the Government of India would look up to the States to co-operate with them to enable them to realise the revenue which they hoped to realise; and he also said that if any State did not agree to the imposition of the duty on matches manufactured within its borders, he would prohibit the import of such matches into British India. Sir, when the Government of India have introduced this duty with a view to raise revenue to get over their financial difficulties, is it not desirable that Travancore, which looks up to the Government of India for various concessions in important matters, should agree to co-operate with them? By doing so, do we not also stand to gain? Have we not been promised a share of this revenue? Further, if any State did not agree to levy duty, the chances are that some of the match manufacturing companies in British India will shift their scene of operations to the State. Well, you may probably say that it is so much the better for the State, but it is so much the worse for British India. The Finance Member hopes to collect three and a half crores of revenue; and if the States refuse to join in this business, most of the match manufacturing companies will transfer their activities to the various States, and the Finance Member can never hope to get the revenue he has estimated. Apart from the revenue that we may get, is it not advisable for us to extend our hand of co-operation to the Government of India and help them to realise the revenue which they to realise?

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From the consumer's point of view, it has been pointed out by some member that once you levy this duty the consumer has likely to pay a considerably higher price for matches than what he now pays. That may be so. Even if we do not levy the duty and if the rest of India does it, I am afraid, the consumer here will have to pay the same price which the consumer outside Travancore pays.

**MR. K. R. ELENKATH** (*Kalkulam I*) : May I know from the member whether this difficulty will arise if Travancore is able to produce sufficient number of matches for its use ?

**PRESIDENT** : The member should not indulge in hypothetical questions. The member putting the questions should confront the speaker with a definite statement of facts. There is no use in putting hypothetical questions.

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*) : When persons beyond the frontiers of Travancore have to pay, say, eight cash for a box of matches, is it likely that manufacturers and merchants within the State will sell their matches at a lower price? The merchants and manufacturers would certainly try to make as much profit as they can unless the Government interfere and prohibit the raising of the price. They will charge the same price in Travancore as that prevailing outside, so that the consumer is not going to be benefited by our refusing to levy duty on our matches. After all, Sir, there are only two match manufacturing concerns in this State, of which one, I am afraid, is in a moribund condition, I mean the one at Tenmalai which is having a precarious existence. At present, there is only one factory working satisfactorily.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : May I know whether the condition of these producers will be improved by this Regulation?

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*) : Even if you do not pass this Bill, their condition is not going to improve. Well, Sir, those who have used matches and especially those who are smokers know the superiority of the imported matches. Nobody here cares to buy the matches made in Travancore. In this humid climate, they do not keep for more than a day or two. It may be due to the defect in the process of manufacture. The people here generally buy only the imported matches. Most of the matches manufactured in Travancore are sent out and we depend upon foreign matches for our own consumption. Even if you do not levy duty, the manufacturers and merchants will certainly raise the price and this will only go to swell their pockets. The consumer will not be benefited, nor will the Government get any revenue.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) : May I know whether the Government cannot impose excise duty and collect all the excise duty to themselves ?

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*) : I am coming to that point. The question is, should we or should we not impose the excise duty ? The Government of India have

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[Rao Sahib Dr. N. Kunjan Pillai]

done it. Other Indian States have done it. Let us also fall in line with them. I have so far pointed out that not only from the standpoint of co-operation with Government of India which is very essential at present but also from the point of view of the consumer, who is not going to be benefited by not levying the duty in Travancore and from the point of view of Government, I think it desirable that we should fall in line with the Government of India and impose excise duty on matches. If we do not do it, what will happen is that, as Sir George Schuster said, some of the manufacturing companies in British India will come to Travancore. The Government of India will then lose the revenue. They will therefore take steps to prevent the import of our matches into British India.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): Then will we not get better matches in this country?

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*): Yes, we may. But then the Government of India will not look upon your action with any favour. And as I have already said, this is not the time when we can afford to antagonise the Government of India. We are talking of Federation and other constitutional changes. There exist our Interportal Trade Convention and our commitments in the Cochin Harbour Scheme. We should certainly retain the good will and sympathy of the Government of India; and from this point of view, it is very essential that we should follow the example of that Government.

Regarding the revenue that may be derived from this excise duty, I have got some figures, but I must say that they are not very accurate. If we levy the duty, join the common pool and get our share on the population basis, we are likely to get about 2 to 3 lakhs of rupees. My friend Mr. Parameswaran Pillai said it is 4 to 5 lakhs. If we ourselves keep all the duty we may collect, our revenue will depend on the production here and that varies from year to year. In 1106, we would have got probably about Rs. 4,90,000, in 1107 about 7 lakhs; and in 1108, only Rs. 2,93,000. Revenue would vary according to production, and production is in proportion to demand. In 1106, 1107 and 1108, there have been wide variations in production. If we take our share from the common pool, we may get about 2·8 lakhs; if we do not join the pool, we may probably get 2.9 lakhs on the output of matches in Travancore in 1108. But, in British India, the match industry may develop considerably and their receipts from duty may increase. There is not much chance for the development of the industry here because we have no big capitalists. Even the two factories we now have have been financed mostly by British Indian capitalists. The industry is likely to develop more rapidly in British India than here and, in that case, it is more advantageous for us to join the pool.

Just one word, Sir, about the expression "and such other articles" in the Bill. I may say on behalf of Government that Government

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are agreeable to delete that portion and confine the enactment to matches alone as in British India.

**MR. A. THANU PILLAI** (*Trivandrum—Rural*): Is the member in a position to inform the House whether, under the terms of Agreement with the Government of India, they have the power to prohibit the importation of Travancore matches into British India?

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*): That is a very complicated question. I do not know whether I should now enter into a discussion on it.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): But it has been stated, Sir, that a statement was made, by the Finance Member, in the Indian Assembly, that, if any Indian State refused to co-operate with them in this matter, they would prohibit the import, of the matches made in that State, into British India. I do not want the Chief Secretary to commit the Government to any position. I thought the wording of my question was guarded enough.

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*): Sir, the member's question, perhaps, needs reference to the Law Officers of Government for an expression of opinion thereon. So far as I can see, under the Interportal Trade Convention, the Government of India cannot prohibit the import of our matches into British India. But, imagine what will happen if they scrap the Interportal Trade Convention altogether. Then they can prohibit the export of any article from Travancore to British India and probably we may do the same with the articles produced in British India. Thus there may ensue a tariff war between the two Governments. We have to bear in mind that our trade is mostly with British India and what we desire is not the cancellation, but the revision on an equitable basis, of the Trade Convention.

The question that the Bill be read in the Assembly was then put to vote and carried.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): I demand a poll.

A poll was taken and the House divided as follows;

AYES—49.

| | | | |
|---|---|---|---|
| 1 | Mr. N. Abdur Rahiman Sahib | 12 | Mr. N. John Joseph |
| 2 | ,, K. C. Abraham | 13 | ,, K. C. Karunakaran |
| 3 | ,, T. K. Alexander | 14 | ,, T. T. Kesavan Sastri |
| 4 | ,, V. T. Chacko | 15 | ,, K. M. Krishnan |
| 5 | ,, S. Chattanatha Karayalar | 16 | ,, K. P. Krishna Menon |
| 6 | ,, E. H. Francis | 17 | ,, Pottayil S. Krishna Panickar |
| 7 | ,, Antony George | 18 | ,, E. V. Krishna Pillai |
| 8 | ,, K. George | 19 | ,, T. Krishna Pillai |
| 9 | ,, M. Mahomed Haneef | 20 | ,, Rao Sahib Dr. N. Kunjan Pillai |
| 10 | ,, S. J. Nair | 21 | ,, C. V. Kunju Raman |
| 11 | ,, T. S. Jayantan Nambootiri | 22 | ,, E. K. Kunjuraman |

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[Mr. K. Kunjukrishna Pillai.]

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| 23 | Mr. K. M. Kuriakose | 37 | Mr. Kayalam Paramesvaran Pillai |
| 24 | ,, C. O. Madhavan | 38 | ,, V. Ramakrishna Panickar |
| 25 | ,, K. Madhavan | 39 | ,, R. Raman Pillai |
| 26 | ,, M. K. Madhavan Pillai | 40 | Rao Bahadur N. Ramanuja Aiyangar |
| 27 | ,, K. Mahomed | 41 | ,, K. Sankaran |
| 28 | ,, K. A. Narayana Pillai | 42 | ,, R. M. Statham |
| 29 | ,, Pacode A. Narayana Pillai | 43 | ,, P. K. Thomas |
| 30 | ,, P. K. Narayana Pillai | 44 | ,, T. C. Thommen |
| 31 | Srimati T. Narayani Amma | 45 | ,, G. B. E. Truscott |
| 32 | Mr. G. Nilakantan | 46 | ,, N. E. Varughese |
| 33 | ,, R. Nilakanta Pillai | 47 | ,, V. K. Velappan Nair. |
| 34 | ,, Edavanatt S. Padmanabha Menon | 48 | ,, T. P. Velayudhan Pillai. |
| 35 | ,, N. K. Padmanabha Pillai | 49 | ,, T. K. Velu Pillai |
| 36 | ,, Rao Sahib S. Parameswara Aiyar | | |

NOES—11.

| | | | |
|---|---|---|---|
| 1 | Mr. P. Chidambaram Pillai | 6 | Mr. K. Kunjukrishna Pillai |
| 2 | ,, A. S. Damodaran Asan | 7 | ,, M. N. Nair |
| 3 | ,, A. Easwara Pillai (*Kottarakara*) | 8 | ,, S. Nilakanta Pillai. |
| 4 | ,, K. R. Elenkath. | 9 | ,, M. Sivatanu Pillai |
| 5 | ,, N. K. Krishna Pillai. | 10 | ,, A. Thanu Pillai. |
| | | 11 | ,, S. Thiraviam Nadar |

NEUTRALS—4.

| | | | |
|---|---|---|---|
| 1 | Mr. A. Easwara Pillai (*Kalkulam II*) | 3 | Mr. Kainikkara M. Padmanabha Pillai. |
| 2 | ,, K. Padmanabhan | 4 | ,, Changanachery K. Parameswaran Pillai |

The motion was declared carried.

The Secretary then read the title of the Bill.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*) : Sir, I wish to move that the Bill be taken up for consideration at once. For that purpose, I request you, Sir, to suspend Standing Order No. 34, which requires that not less than 15 days should elapse, after the introduction of the Bill, before such a motion is made.

**PRESIDENT** : As requested by the Law Member, I suspend Standing Order No. 34.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*) : Sir, I move that the Bill be taken up for consideration at once.

**MR. R. M. STATHAM** (*Director of Public Instruction*) : I second it.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) : I oppose it. I can certainly understand difference of opinion in regard to the need for this enactment. But, certainly, there cannot be the shadow of a doubt that this important measure cannot be hurried through like this. Many defects have already been pointed out in the Bill as it is. My honourable friend, Mr. P. K. Narayana Pillai pointed out how retrospective

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effect is sought to be given to this measure. Various other defects also have been pointed out. We have not had sufficient time to look carefully into the various provisions of the Bill. It would be hazardous on the part of the House to take it up immediately after its introduction and pass it at once. I do not think reasons for such great urgency have been made out by the Law Member. Nobody can say that the Bill is devoid of defects. There is absolutely nothing to be lost by the Bill being referred to a Select Committee. If it is so urgent, the Select Committee may be asked to report within a few days. I therefore oppose the motion for the consideration of the Bill without its being referred to a Select Committee.

The motion, that the Bill be taken up for consideration at once was put to vote and lost.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*) : Sir, I demand a poll.

**PRESIDENT** : I suppose it would be convenient for the members if I ask them to get up block by block, instead of the whole House simultaneously, so that they need not remain standing long for their turn.

Poll was first taken, block by block, but many did not rise up at all.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) : I am afraid, this unusual procedure has not been understood by many of my friends. I would suggest that we revert to the usual method and not have this distinction, even among those who vote *for* the motion.

**PRESIDENT** : All right I have no objection to the old practice being continued.

A poll was taken, and the House divided as follows :

AYES—39.

| | | | |
|---|---|---|---|
| 1 | Mr. N. Abdur Rahiman Sahib | 21 | Mr. E. K. Kunjuraman |
| 2 | ,, K. C. Abraham | 22 | ,, K. M. Kuriakose |
| 3 | ,, T. K. Alexander | 23 | ,, C. O. Madhavan |
| 4 | ,, V. T. Chacko | 24 | ,, K. Madhavan |
| 5 | ,, S. Chattanatha Karayalar | 25 | ,, K. Mahomed |
| 6 | ,, E. H. Francis | 26 | ,, P. K. Narayana Pillai |
| 7 | ,, Antony George | 27 | ,, G. Nilakantan |
| 8 | ,, K. George | 28 | ,, R. Nilakanta Pillai |
| 9 | ,, M. Mahomed Haneef | 29 | ,, N. K. Padmanabha Pillai |
| 10 | ,, S. J. Nair | 30 | Rao Sahib S. Paramesvara Aiyar |
| 11 | ,, T. S. Jayantan Nambootiri | 31 | Mr. Kayalam Paramesvaran Pillai |
| 12 | ,, N. John Joseph | 32 | ,, V. Ramakrishna Panickar |
| 13 | ,, T. C. Joseph | 33 | ,, R. Raman Pillai |
| 14 | ,, K. C. Karunakaran | 34 | Rao Bahadur N. Ramanuja Aiyangar |
| 15 | ,, T. T. Kesavan Sastri | 35 | Mr. K. Sankaran |
| 16 | ,, K. M. Krishnan | 36 | ,, R. M. Statham |
| 17 | ,, K. P. Krishna Menon | 37 | ,, P. K. Thomas |
| 18 | ,, E. V. Krishna Pillai | 38 | ,, T. C. Thommen |
| 19 | Rao Sahib Dr. N. Kunjan Pillai | 39 | ,, G. B. E. Truscott |
| 20 | Mr. C. V. Kunjuraman | | |

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[President.]

NOES—22

| | |
|---|---|
| 1 Mr P. Chidambaram Pillai | 14 Mr. Edavanatt S. Padmanabha Menon |
| 2 ,, A. S. Damodaran Asan | 15 ,, Kainikkara M. Padmanabha Pillai |
| 3 ,, K. R. Elenkath | 16 ,, Changanachery K. Parameswaran Pillai |
| 4 ,, Pottayil S. Krishna Panickar | 17 ,, M. Sivatanu Pillai |
| 5 ,, N. K. Krishna Pillai | 18 ,, A. Thanu Pillai |
| 6 ,, Puthupalli S. Krishna Pillai | 19 ,, S. Thiraviam Nadar |
| 7 ,, T. Krishna Pillai | 20 ,, N. E. Varughese |
| 8 ,, K. Kunjukrishna Pillai | 21 ,, V. K. Velappan Nair |
| 9 ,, M. N. Nair | 22 ,, T. P. Velayudhan Pillai |
| 10 ,, K. A. Narayana Pillai | |
| 11 ,, Pacode A Narayana Pillai | |
| 12 ,, S. Nilakanta Pillai | |
| 13 ,, K. Padmanabhan | |

NEUTRALS—5.

| | |
|---|---|
| 1 Mr. A. Easwara Pillai (*Kalkulam II*) | 3 Mr. M. K. Madhavan Pillai |
| 2 ,, A. Easwara Pillai (*Kottarakara*) | 4 ,, Srimati T. Narayani Amma |
| | 5 ,, T. K. Velu Pillai |

The motion that the Bill be taken into consideration was declared carried.

**Clauses 1 and 2.**

**PRESIDENT**: The first amendment is to delete the expression "and other articles" in sub-clause (i). The expression occurs in several clauses, so that, if it is deleted here, the other amendments, to delete it from other parts of the Bill, would become consequential amendments. We may, therefore, postpone the consideration of this amendment till all other amendments are disposed of.

The question that Clauses 1 and 2 do form part of the Bill was then put and carried.

The clauses were added to the Bill.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): The decision, to take up the Bill for consideration immediately, has been arrived at only just now. Many of us want to propose amendments. We have not been able to send up our amendments earlier since even the first publication of the Bill was made only a few days back, on the 8th of May. We have not had time to study the Bill in detail. I request that we may be allowed to propose our amendments now.

**PRESIDENT**: You may do it it is that that I want you to do now.

**MR. S. J. NAIR** (*Nedumangad*): I move that the expression "and any other article" shall be deleted from clause 1, sub-clause (i).

**PRESIDENT**: We have postponed the consideration of that amendment. We are now at Clause 3.

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**Clause 3**

MR. A. THANU PILLAI (*Trivandrum—Rural*): I move that the words "on the 1st day of April 1934" be deleted.

MR. E. V. KRISHNA PILLAI (*Pattanamthitta*): I support the amendment.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I am afraid I cannot accept that. I have already explained that the chief reason for the introduction of this measure is our desire to go into line with the Government of India. There the duty taks effect from the 1st of April. It is therefore necessary for all the reasons for which it is necessary to introduce this measure, that we retain the present provision so that there may not be any differentiation. I may tell the House that we can devise suitable machinery to realise duty due from the 1st of April till the date on which this measure is passed into law. In order to be on a line with the British Indian enactment—and that is our main object—is it necessary to have the provision as it is?

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): I wish to know how the provision would be workable.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): For instance, we can examine the books kept by the manufacturers, or call for information from the manufacturers and others. These are all questions of detail which, I believe, can be solved without much difficulty. In British India also the law was passed only long *after* the 1st April; still the duty took effect from the 1st of April. There is not, I suggest, any insurmountable difficulty to devise the means to realise duty from the 1st of April. There is nothing inherently wrong or absurd in the provision as it stands.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*:) May I know when the draft Bill was published in British India?

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): On the 17th March, 1934.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quion II*): How many days prior to the date on which the duty came into operation?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I need not answer that question, as it is only a question of arithmetic.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): May I know the date from which the British Indian enactment came into force?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I think that it is about the end of April that the Indian Legislative Assembly passed it.

RAO SAHIB S. PARAMESVARA, AIYAR (*Nominated*): It is admitted that match—making is a cottage industry in Travancore. Is it not likely that no books are kept by these manufacturers?



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**MR. K. R. ELENKATH** (*Kalkulam I*): We are now at clause 3, Sir.

**PRESIDENT**: Let us confine ourselves to the provision now before us.

**MR. T. K. VELU PILLAI** (*Trivandrum Urban*): I wish to support the amendment.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): On a point of order, Sir, Mr. Paramesvara Aiyar has asked a question exclusively relating to Clause 3; and that has not been answered,

**PRESIDENT**: You are speaking on behalf of Mr. Paramesvara Aiyar? (*Laughter*).

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): If given a chance, I will answer.

**PRESIDENT**: I very much like the honourable member who is now in charge of the Bill to realise the fact that he is asking the House to accord their approval to a Bill which is not passing throgh the usual stages, (Mr. E. V. Krishna Pillai: *Hear, hear*). which other Bills do; and therefore it is only right on their part, if before they give their assent they ask for all relevant informatian to enable them to help the Government in getting this measure passed and I fully sympathise with the members of this House. I only wish that the Law Member or the Chief Secretary will be good enough to do so before I take up the third stage of the Bill.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): The Bill was passed in British India, I see, on the 21st of April by the Assembly and it subsequently received the approval of the Council of state, and I believe it became law about the middle of May. The question raised by Mr. Paramesvara Aiyar was—what will you do with the petty cottage industries which may not have any books and how are you going to collect duty on these cottage industries from the 1st of April? I may say, Sir, at the outset that the same difficulty would arise in British India, because there too, although the law came into operation only in May, the duty applies to the cottage industries also from the 1st of April. So, this difficulty which has been raised now must have been felt there and yet they have that provision, apparently because it is possible to provide a machinery for realising the duty with retrospective effect. I am only saying just now that it is *possible* to devise an efficient means for realising the duty. The department entrusted with the duty of collecting the excise duty on matches will propose the necessary machinery. As an example, I may say that, if books are not available, the manufacturers may be questioned as to the number of matches they produced or information may be called for from other sources. There may be no doubt practical difficulties in doing so, but we have to persevere with it and do the best we can. What I want the House to realise is that we are now passing this law so that we may fall into line with British India, where the duty took effect from the 1st of April, Is it not graceful then on our part that we should follow exactly the British Indian provisions in regard to this?

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MR. A. THANU PILLAI (*Trivandrum--Rural*) : May I know from the member why this House was not moved in time for enacting a law to come into line with British India ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) ; I was saying that the object is that we should fall into line with British India, and as we have accepted that principle, is it not graceful on our part to follow the provision exactly as we find them in the British Indian law unless we apprehend very great difficulties ? My suggestion is that there is no such difficulty so far as this provision is concerned. If it can be overcome in British India, there is no reason why it cannot be overcome here.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*) : Was there any particular reason for the British Government to fix this auspicious date of 1st April ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) ; I believe that it is because 1st April is the beginning of their financial year.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*) : If we are to understand that the British Govenment have fixed the date because for them the financial year begins from the 1st April, may I know whether it will not be equally graceful on our part if we began on the 1st of our financial year ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : The difficuulty in that case will be this. We have agreed to pool the proceedsof the duty and take a division of pool. The pool will begin from 1st April. If we do not contribute to the pool from 1st April, how are—

MR. M. SIVATHANU PILLAI (*Tovala*) : May I know from the member—

PRESIDENT : It is only this morning I had to appeal to the House in regard to this matter. I quite realise the need for asking questions Let the Law Member finish what he has got to say. He has just half finished his sentence and before finishing the other half, if he is interrupted, the member may naturally lose his balance of mind and he may not know what he has to say next. You must sympathise with him, and wait for a minute for him to finish his sentence.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Sir, what I wanted to say was this. The arrangement was that the proceeds should go into a pool. The British Government will realise the duty and bring it into the pool from the 1st April and we have also to do the same in order that we may share in it. There may perhaps be difficulty in working the measure. But we will try to realise the duty with effect from the 1st April to the best of our abilities and I trust and hope that will succeed.

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MR. K. R. ELENKATH (*Kalkulam I*): May I know from the member whether, in view of the fact that the merchants have already sold their matches without considering the duty they have to pay, it is morally justifiable on the part of the Government to impose such a duty with retrospective effect?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): They must have known that when the Bill was introduced in British India, a Bill was likely to be passed here also. Even before the Bill was published, there was a Press Communique that duty was going to be imposed on matches, and the merchants raised the prices immediately, I think.

MR. PACODE A NARAYANA PILLAI (*Vilavankod*): May I know from the member whether this Government is entitled to share in the proceeds from the 1st of April?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes.

PRESIDENT: To Sub-clause (3) an amendment has been moved that words beginning with 'or' and ending with '1934' be deleted.

The amendment was put to the vote of the House and declared lost.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): I demand a poll.

PRESIDENT: It is discretionary with the President to allow polls. If at every point a poll is going to be claimed, I am afraid I shall have to rule that no poll shall be allowed.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): But hitherto it has never been disallowed.

PRESIDENT: The President may think that the poll has been called for for insufficient reasons. Anyhow, I shall not be cruel to begin with.

A poll was taken with the following results:

AYES—21

| | | | |
|---|---|---|---|
| 1 | Mr. S. Chattanatha Karayalar | 12 | Mr. K. Mahomed |
| 2 | „ P. Chidambaram Pillai | 13 | „ M. N. Nair |
| 3 | „ A. S. Damodaran Asan | 14 | „ P. K. Narayana Pillai |
| 4 | „ A. Easwara Pillai (*Kalkulam II*) | 15 | „ S. Nilakanta Pillai |
| 5 | „ A Easwara Pillai (*Kottarakara*) | 16 | „ Edavanatt S. Padmanabha Menon |
| 6 | „ K. R. Elenkath | 17 | „ Kainikkara M. Padmanabha Pillai |
| 7 | „ Pottayil S. Krishna Panickar | 18 | „ Changanachery K. Parameswaran Pillai |
| 8 | „ N. K. Krishna Pillai | 19 | „ A. Thanu Pillai |
| 9 | „ Puthupalli S. Krishna Pillai | 20 | „ V. K. Velappan Nair |
| 10 | „ T. Krishna Pillai | 21 | „ T. K. Velu Pillai |
| 11 | „ K. Kunjukrishna Pillai | | |

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NOES—33

| | | | | | |
|---|---|---|---|---|---|
| 1 | Mr. | N. Abdur Rahiman Sahib | 19 | Mr. | K. A. Narayana Pillai |
| 2 | ,, | K. C. Abraham | 20 | ,, | Pacode A. Narayana Pillai |
| 3 | ,, | T. K. Alexander | 21 | ,, | G. Nilakantan |
| 4 | ,, | V. T. Chacko | 22 | ,, | R. Nilakanta Pillai |
| 5 | ,, | E. H. Francis | 23 | ,, | N. K. Padmanabha Pillai |
| 6 | ,, | Antony George | 24 | | Rao Sahib S. Parameswara Aiyar |
| 7 | ,, | K. George | 25 | Mr. | Kayalam Parameswaran Pillai |
| 8 | ,, | M. Mahomed Haneef | 26 | ,, | V. Ramakrishna Panickar |
| 9 | ,, | N. John Joseph | 27 | ,, | R. Raman Pillai |
| 10 | ,, | T. C. Joseph | 28 | | Rao Bahadur N. Ramanuja Aiyangar |
| 11 | ,, | K. C. Karunakaran | 29 | Mr. | K. Sankaran |
| 12 | ,, | T. T. Kesavan Sastri | 30 | ,, | R. M Statham |
| 13 | | Rao Sahib Dr N. Kunjan Pillai | 31 | ,, | T. C. Thommen |
| 14 | Mr. | C. V. Kunjuraman | 32 | ,, | G. B. E. Truscott |
| 15 | ,, | E. K. Kunjuraman | 33 | ,, | N. E. Varughese |
| 16 | ,, | K. M. Kuriakose | | | |
| 17 | ,, | C. O. Madhavan | | | |
| 18 | ,, | K. Madhavan | | | |

NEUTRALS—9

| | | | | | |
|---|---|---|---|---|---|
| 1 | Mr. | S. J. Nair | 6. | | Srimati T. Narayani Amma |
| 2. | ,, | T. S. JayanthanNambootiri | 7 | Mr. | K. Padmanabhan |
| 3. | ,, | K. M. Krishnan | 8 | ,, | S. Thiraviam Nadar |
| 4. | ,, | E. V. Krishna Pillai | 9 | ,, | T. P. Velayudhan Pillai |
| 5. | ,, | M. K. Madhavan Pillai | | | |

The amendment was declared lost.

**PRESIDENT:** Clause 3 will now form part of the Bill.

Clause 3 was added to the Bill.

***Clause 4.***

**PRESIDENT:** The question is whether Clause 4 do form part of the Bill.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Clause 4 (*a*) refers to matches in boxes or booklets. I do not know what 'booklets' signifies.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): On a point of order. Is there any provision for the clearing of doubts when a clause is put?

**PRESIDENT:** I think your friend on the other side will withdraw it in view of your remarks. Of course, we are trying to make amendments to the clause if we can, but not trying to open the Webster's Dictionary.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): A word of personal explanation. As the President remarked a little while ago, since this measure is not passing through the usual stage, information should be supplied to the House on relevant points. I am sure even now the Law Member is not able to give a definite answer.

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**PRESIDENT**: I think it is in his mind already. The difficulty of the member would be cleared at once on a reference to the speech of the Finance Member. That apart, there is no amendment to Clause 4. Therefore Clause 4 will stand part of the Bill.

Clause 4 was added to the Bill.

***Clause 5.***

**PRESIDENT**: The question is whether Clause 5 sub-clauses (1) and (2) do stand part of the Bill.

**MR. S. J. NAIR** (*Nedumangad*): I wish to move the following amendment to Clause 5. In sub-clause (1) I move that the sentence that occurs after 'arrear', namely 'and the authority to which such duty is payable may, in lieu thereof, recover any sum not exceeding four times the amount of duty unpaid which such authority may in its discretion think it reasonable to require' be deleted and that sub-clause (2) also be deleted. Otherwise it would work very hard.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): Here again I must say that this provision is put in exactly as it is in the British Indian Law.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): On a point of order. The amendment was not seconded.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): I second the amendment.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): That provision is put in exactly as it is in British India. The British Government has desired that we should adopt even their procedure as much as possible when enacting this law. Once we admit that the principle of this Bill is correct, it seems to me that this penalty which is imposed here cannot be objected to on principle. The second part of sub-clause (1) of Clause 5 says that as a penalty the authority to which such duty is payable may recover any sum not exceeding four times the amount of duty unpaid.

**RAO SAHIB S. PARAMESVARA AIYAR** (*Nominated*): May I know whether the penalty is the same as in British India?

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): Yes.

**PRESIDENT**: In view of the explanation of the Law Member, does the mover of the amendment press it?

**MR. S. J. NAIR** (*Nedumangad*): I may say a word as an explanation to what the Law Member said. It is stated in sub-clause (2) of Section 5 that the arrear shall be collected under the Land Revenue Recovery Regulation; and at the same time it is stated it shall be recoverable in addition to the arrears, with an additional amount of penalty incurred under this Regulation. Nowhere in the Land Revenue Recovery Regulation is it stated that an arrear shall be collected with a penalty extending to four times the arrears. So the explanation given by the Law Member is not convincing and clear. Such being the case, I press my amendment.

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**PRESIDENT** : The question is that the words beginning from 'as' in the third line, sub-clause (1) of Clause 5 and ending with 'require' at the end of it should be deleted. The question is whether that should be deleted from sub-clause (1) of Clause 5.

The amendment was put to the vote of the House and lost.

Clause 5 was added to the Bill.

***Clause 6.***

**PRESIDENT** : The question is that Clause 6 do stand part of the Bill.

The motion was carried and the clause was added to the Bill.

***Clause 7.***

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): I move an amendment that Clause 7 which reads—

> "Our Government may by notification in our Government Gazette prohibit absolutely, or with such exceptions as they think fit, the bringing of matches or other articles into Travancore from the territory of any specified Prince or Chief in India"

be deleted. Sir, I think this clause is unnecessary because according to the statement of Government themselves all the States have agreed to pool their resources for us to get the division and we need not put into our statute book a provision like this.

When we talk so highly of the necessity of co-operation between the Provinces of British India and Travancore, should we not insist specially about co-operation that should subsist between ourselves and British India. Even if British India insist, should we add a clause by which we may discriminate as between Princes of Indian India? In the circumstances explained by the Law Member, there is not such a necessity. All the States have joined the agreement and have agreed for the pool so that no occasion will arise for us to prevent the entry of matches into this State. Under these circumstances and in the name of co-operation, I say that this clause be deleted.

**MR. PJTHUPALLIS KRISHNA PILLAI** (*Quilon II*) : Does not the member think that a provision should be made if some of the Princes may fail in their promise and think it necessary to withdraw from the agreement?

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): I did not say that *all* the States have joined the agreement. A large *majority of them* have agreed. So it is necessary to have a provision like this. The British Indian Act also has got a provision like this.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : Sir, I second the amendment.

**MR. A THANU PILLAI** (*Trivandrum-Rural*) : Sir, I have got another amendment.

**PRESIDENT** : Is it in Clause 7?

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): Yes.

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**PRESIDENT:** Then you will have to wait. There is already an amendment for the deletion of the whole clause. Only if it survives is there need for your amendment.

Now the question is that Clause 7 be deleted from the Bill.

The amendment was put to the vote of the House and lost.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): I move that the words 'or other articles' be deleted.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): There is no difference between us on that point. On the assurance given on behalf of Government, I second the amendment that the words 'or other articles' in lines two and three be deleted.

**MR. K. R. ELENKATH** (*Kalkulam I*): Does the member accept or support the amendment?

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): I second the amendment. It is for the House to carry it.

**PRESIDENT:** The clause as amended will read:

"Our Government may, by Notification in Our Government Gazette, prohibit absolutely, or with such exceptions as they think fit, the bringing of matches into Travancore from the territory of any specified Prince or Chief in India".

The question is that Clause 7 as amended do form part of the Bill.

The motion was put to the vote of the House and carried, and the Clause was added to the Bill.

***Clause 8.***

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): I move that the word 'booklets' occurring in line 4 of sub-clause (1) of Clause 8 be deleted as the meaning of the word is not clear.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): Matches are sometimes issued in booklets also. If you open the packet as you open a book, you will find that the matches are stuck up there, and that is a booklet of matches.

**PRESIDENT:** So you do not insist on your amendment, Mr. Krishna Pillai?

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): No.

**MR. S. J. NAIR** (*Nedumangad*): I move that the words 'in a factory' also be added between the words 'manufactured' and 'after' in line 2 of sub-clause (1). Then the clause will read:—

'Our Government may, by Notification in our Government Gazette, direct that after a date to be specified in the notification no matches manufactured *in a factory* after the date of the issue of the notification shall be issued from a manufactory in Travancore except in packets, boxes or booklets bearing a banderol or stamp of such nature and affixed in such manner as may be prescribed."

I am entirely to safeguard the interests of the cottage industry.

**MR. K. R. ELENKATH** (*Kalkulam I*): I second the amendment.

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**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): I may explain with regard to this provision that some concession is proposed to be given to the cottage industry. In Clause 19 you will find that there is a provision made for a rebate of duty That clause is:—

> "Our Government may, by notification in our Government Gazette, make rules to provide for the grant of a rebate of the duty payable under the provisions of the Regulation on matches manufactured in any manufactory whose daily output does not exceed one hundred gross of boxes to the following extent namely etc."

The object of that rebate is to see that undue burden is not placed on matches issued out of cottage industries which it is presumed cannot produce more than 100 gross of boxes a day. This provides for a concession to matches manufactured in any place whose daily output does not exceed one hundred gross of boxes. I may here read a portion from the Report of the Select Committee of the Indian Legislative Assembly on the Indian Bill. This is what it says:—

> "We have also given careful consideration to the position of the cottage industry for making matches. In this connection our attention was drawn to the recommendation contained in paragraph 136 of the Report of the Indian Tariff Board regarding the grant of protection to the Match industry to the effect that "though there was no ground for extending assistance to match manufacture as a cottage industry, it would be unfair by means of an excise duty to impose on cottage factories a special burden which would not be borne by better equipped concerns having greater financial resources". We feel that this contention has considereable force if the use of banderols is now to be imposed. We have therefore, provided for the grant of a rebate of the duty payable under the Act at rates corresponding, when the difference in the sizes of boxes is taken into account, to the concession considered suitable by the Tariff Board, and we have followed the Tariff Board in taking the output of the factory as a suitable criterion for distinguishing the class of manufactories to which this concession may be extended. The danger of abuse of the concession by splitting up larger concerns into smaller units could be effectively met by the use of the power which the authorities will possess to grant or with-hold licenses to manufacture".

This is from para 4 of the Report and it will, I think, entirely meet the point raised by Mr. S J. Nair.

**PRESIDENT**: So you do not insist on your amendment, Mr. S. J. Nair? It has been explained.

**MR. S. J. NAIR** (*Nedumangad*): I do not.

**PRESIDENT**: The two amendments having been withdrawn, the question is whether Clause 8 do form part of the bill.

The motion was carried and the Clause was added to the Bill:

**Clause 9.**

**PRESIDENT**: The question is that Clause 9 do form part of the Bill.

The motion was carried and the Clause was added to the Bill.



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**Clause 10.**

**PRESIDENT**: The question is that Clause 10 do form part of the Bill.

The motion was carried and the Clause was added to the Bill.

**Clause 11.**

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): Two amendments are called for in Clause 11.

**PRESIDENT**: If they are only consequential amendments, I think the Law Member himself will bring in the amendments.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): That will be done.

**PRESIDENT**: The question is that Clause 11 do form part of the Bill.

The motion was carried and the Clause was added to the Bill.

**Clause 12.**

**PRESIDENT**: The question is that Clause 12 do form part of the Bill.

The motion was carried and the Clause was added to the Bill.

**Clause 13.**

**PRESIDENT**: The question is that Clause 13 do form part of the Bill.

The motion was carried and the Clause was added to the Bill.

**Clause 14.**

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): I have got an amendment in Clause 14. Delete the words' or fails to supply any information which he is required under this Regulation or any rules made thereunder to supply' occurring in lines 2 and 3 of Clause 14.

The Clause as it stands now is "whoever evades or attempts..... .....both". I want deletion of the words beginning from .....' or fails to supply any information which he is required under this Regulation or any rules made thereunder to supply" in lines 2 and 3. *Bona fide* omission to supply information may be left out of the purview of this Clause. To make my position clear, it is a heavy penalty prescribed under this Clause. Whether an omission is *bona fide* or intentional cannot be easily found out. It is quite safe therefore that such omissions are taken out of the purview of the penalty clause.

**MR. S. J. NAIR** (*Nedumangad*): I support Mr. E. V. Krishna Pillai, since an omission is not made an offence but a commission.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): This provision is exactly as it is in the British Indian Cnactment. So then it is not a special provision applicable for this country alone. That apart, on the merits of the provision, I may say that it is only fair that, if a person, who is required by the rules to supply information, does not comply with that, he must be punished. Otherwise, it is impossible to work the rules.

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MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): Is there any parallel clause in the Income Tax Regulation saying that, if a man does not supply the information in proper time and in proper manner, he will be punished.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I am not now in possession of that information.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): The member can take it from me that there is no penalty clause like this in that Regulation.

PRESIDENT: There is difference between the two. In the case of income tax, the authority concerned can levy any tax in the absence of any material furnished by the party. But here, of course, Government cannot do likewise. They can levy no excise duty without the information. There is this obvious difference. The analogy does not apply. But, however, Mr. Krishna Pillai, I believe you do not entertain any serious objection to that.

The amendment was put to the vote of the House and lost.

PRESIDENT: The question is that Clause 14 do stand part of the Bill.

The Clause was added to the Bill.

**Clauses 15 to 19.**

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*): I move that the expression "or any other articles" in line 3 of Clause 15 be omitted.

PRESIDENT: That is a consequential amendment. The Law Member will move for the deletion of such consequential amendments at the third reading stage.

Clauses 15 to 19 were added to the Bill as there were no amendments.

**Clause 20.**

MR. S. CHATTANATHA KARAYALAR (*Shencotta*): I move for the deletion of Clause 20, sub-clauses (1) and (2).

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I second the motion and request the House to accept it.

The motion was put to the vote of the House and carried.

**Clause 21.**

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I move for the deletion of the Clause. I am not able to understand the necessity for this Clause. Nor has it been clear from the Law Member's statement that a provision of this nature is necessary.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): I second the amendment. I very much doubt whether this Assembly can deal with the Interportal Trade Convention.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I accept the amendment. It is only by way of abundant caution that I put in such a provision. I have no objection to take it away if the House wants it to be done.

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MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): I cannot allow the Law Member evading an answer to this question. He must as in duty bound explain why he inserted this provision. Simply saying that he accepts the amendment is not the responsible way of doing things.

PRESIDENT: But, do you object to the deletion of the Clause?

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): No, Sir.

PRESIDENT: There is a motion before the House for the deletion of Clause 21, proposed and seconded.

The motion was put to the vote of the House and carried.

**Clause 1.**

PRESIDENT: The question is whether Clause 1 do form part of the Bill.

MR. S. CHATTANATHA KARAYALAR (*Shencotta*): I move that expression "and other articles" be deleted.

The motion was put to vote and carried.

Clause 1 was added to the Bill.

## PREAMBLE.

PRESIDENT: The question is that the Preamble with the omission of "and other articles" do stand part of the Bill.

The motion was carried. The Preamble as amended was added to the Bill.

PRESIDENT: The clauses have been accepted and I propose to proceed with the third reading of the Bill. The Law Member will of course move for the deletion of "and other articles" wherever it occurs in the Bill.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move for the deletion of the words "and other articles" in the long title of the Bill.

MR. R M. STATHAM (*Director of Public Instruction*) I second it.

The motion was carried.

## PREAMBLE.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) I move for the deletion of the words "and other articles".

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

**Clause 1.**

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move for the deletion of the words "and other articles".

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

RAO SAHIB S. PARAMESVARA AIYAR (*Nominated*): I suggest that this Regulation may be called the "Travancore Matches Duty Regulation".

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): It is there already the Regulation will be called the "Travancore Matches Excise Duty Regulation".

**Clause 7.**

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move for the deletion of the words "or other articles" occurring in lines 2 and 3.

MR. R. M. SATATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

**Clause 11.**

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move that in line 2 and 5 the expression "or other articles" be omitted.

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): In line 5, I move for the deletion of the words "as the case may be".

MR. R. M. STATHAM (*Director of Public Ist ruction*): I second it.

The motion was carried.

**Clause 15.**

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move for the deletion of the words "or any other articles".

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

**Clause 16.**

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move for the deletion of the words "or other articles" in line 4.

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move that in the same Clause the expression "or other articles" in line 9 be omitted.

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move that, in the same Clause, in the proviso, line 3, the expression "or other articles" be omitted.

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

**Clause 17.**

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I move that, in line 7, expression "or other articles" be omitted.

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

**Clause 18.**

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): In sub-clause (2) (*h*), I move for the deletion of the expression "or other articles" occurring in line 1, 3 and 5.

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MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

The motion was carried.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I now beg to move that the Bill as amended be passed.

MR. R. M. STATHAM (*Director of Public Instruction*): I second it.

PRESIDENT: Is it the pleasure of the House that the Bill be passed?

The Bill was passed.

## THE TRAVANCORE EDAVAGAI BILL.

PRESIDENT: The next item in the programme is the second reading of the Travancore Edavagai Bill.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I rise to present the report of the Select Committee on the Travancore Edavagai Bill and beg to move that the Bill as reported be taken into consideration.

MR. R M. STATHAM (*Director of Public Instruction*): I second it.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I have given notice of amendments.

PRESIDENT: The first amendment is that it should be recommitted.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Sir, I move for the recommittal of the Bill as redrafted by the Select Committee. The majority of the Select Committee admit the fact that they have made changes so very minute and so very far-reaching that it was not possible for them to publish the report of the Select Committee in the specified form. But I do not agree with the statement of the majority of the Select Committee that the changes made are changes in mere details. They are fundamental changes of principles; and the Bill, as it is presented, contains principles which where not accepted by this House at its first reading. When the Travancore Edavagai Bill was first read in this House, the principle, as has been explained by the Law Member, was that it was intended to give permanent occupancy right to the tenants. From all the explanations and from all the understandings that we could gather from the discussion of the Bill at its first reading, the most important principle that has been before this House and accepted by this House was that the tenant should be given permanent occupancy right. Now the question before the House is whether the Bill, as it is redrafted by the Select Committee, presents that principle. I submit 'not' because in the new Bill—pardon me for calling it like that—we find that the most anxious consideration has not been that the tenants should be given permanent occupancy right but that *taravila* should be realised from the tenants. That seems to be the primary concern as seen from the Bill as redrafted by the majority of the Committee. Sir, I contend that is a violent change in principle.

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